



Iowa Department of Human Services

INFORMATIONAL LETTER NO.1954-MC-FFS-D

DATE: October 2, 2018

TO: Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC)

APPLIES TO: Managed Care (MC), Fee-for-Service (FFS), Dental (D)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: IA Health Link Managed Care Wraparound Payments

EFFECTIVE: Immediately

Informational Letter [1905-MC-FFS-D](#)¹ addressed IA Health Link Managed Care Wraparound Payments. This informational letter contains an update pertaining to which MCO claims can be included in the quarterly wraparound payment request.

Previously, an MCO claim could not be included in the quarterly wraparound payment request unless it had been paid correctly by the MCO. Starting with wraparound payment requests for quarter ending September 30, 2018, that will no longer be a requirement. The IME will be changing the process of calculating quarterly wraparound payments. For any claim paid below the provider specific, Prospective Payment System (PPS) rate (MCO and other sources), the IME will pay the difference in the PPS rate and the IME FFS interim rate as a wraparound payment. For any claims paid at or above the PPS rate, the IME will pay the difference in the total payment (from the MCO and other sources) and the IME FFS interim rate. Example payment scenarios are as follows:

- **Scenario 1**
 - Provider Specific PPS Rate: \$100
 - Provider Specific IME FFS Interim Rate: \$150
 - Total MCO Payment (MCO and other sources): \$25
 - **Amount Eligible for Wraparound Payment: \$50**
- **Scenario 2**
 - Provider Specific PPS Rate: \$100
 - Provider Specific IME FFS Interim Rate: \$150
 - Total MCO Payment (MCO and other sources): \$125
 - **Amount Eligible for Wraparound Payment: \$25**

¹ https://dhs.iowa.gov/sites/default/files/1905-MC-FFS-D_IAHealthLinkManagedCareWraparoundPayments.pdf

Claims that were previously deemed not eligible due to an incorrect payment from the MCOs may be submitted with the request for quarter ending, September 30, 2018. These claims will be considered for wraparound payment based on the new methodology noted above.

If you have any questions, please contact the IME Provider Cost Audit Unit at 1-866-863-8610, locally in Des Moines at 515-256-4610, or by email at costaudit@dhs.state.ia.us.